

Environmental Social Governance Report



2023

Dear Stakeholders,

As we reflect on the year 2023, it is clear that the urgency to address climate change has never been more pressing. The warming of our planet demands immediate action, and at HomeBiogas, we are proud to offer a proven technology that can significantly reduce emissions and drive meaningful environmental impact.

Throughout 2023, HomeBiogas has made substantial strides in combating climate change. Our systems have successfully converted 8,178 tons of food waste into 32,964,683 hours of clean energy, offsetting 134,734 tons of CO₂-equivalents. This achievement underscores our commitment to sustainability and our role in promoting green energy solutions.

Our innovative biogas systems not only transform organic waste into renewable energy but also address methane emissions, a potent greenhouse gas. Methane is 84 times more effective at trapping heat in the atmosphere than CO₂, making our efforts crucial in the fight against global warming.

We invite you to join us in this journey towards a sustainable future. Together, we can make a significant difference by reducing emissions and conserving natural resources. The time to act is now, and with your support, we can continue to expand our impact and foster a cleaner, greener planet.

Thank you for your continued partnership and commitment to making a change.



▶ Boaz Schweiger
Executive Chairman



▶ Oshik Efrati
Co-founder & CEO



▶ Yair Teller
Co-founder & Deputy CEO



▶ Erez Lanzer
Co-founder & Deputy CEO

2023 Highlights

HomeBiogas making an impact for a better world in 2023



210,683
Trees saved¹



134,734 tons
CO₂-eq mitigated²



32,964,683
Hours of clean cooking³



8,178 tons
Food waste upcycled⁵



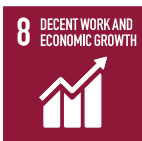
581,963 m³
Bio-fertilizer produced⁶



134,422 m³
of water conserved⁴

UN SDGs

We are contributing to **13 of the UN Sustainable Development Goals**





About HomeBiogas

The world has reached a critical point in the transition to a circular economy, which offers a solution to many environmental and social challenges. We are proud to be at the forefront of this movement.

Advancing circular economy solutions in the waste management and clean energy sectors around the world. HomeBiogas is taking action on climate change and sustainability by helping people, companies, organizations, cities, and countries achieve zero waste and net-zero CO₂ emissions targets and reduce their environmental footprints.

The fastest way to disrupt a status quo is to develop innovative technology. The driving force behind HomeBiogas is therefore to develop a portfolio of products that harness an environmentally friendly biological process to capture methane (CH₄) emissions from organic waste and remove it by converting it into biogas, clean energy, and organic fertilizer. Methane is the second most abundant anthropogenic GHG after carbon dioxide (CO₂), accounting for about 16 percent of global emissions. Methane is more than 84 times as potent as carbon dioxide at trapping heat in the atmosphere.

Our solutions

By adopting our innovative solutions, our customers can promote sustainable living, reduce waste, and contribute to a cleaner environment for generations to come.

Here's how:



On-site waste treatment

In most countries, organic waste is sent to landfills, creating one of the major sources of methane emissions – a greenhouse gas that is 84 times more potent than carbon dioxide.

By enabling on-site treatment, our solutions reduce the environmental and economic costs of transporting waste and prevent waste landfill.



Creating a valuable resource

Generating added value for our customers in the form of biogas as renewable energy, and rich organic fertilizer.



Providing a cleaner environment

Enabling farmers to better manage animal manure, and reduce their exposure to harmful indoor air pollution, thereby reducing the occurrence of respiratory diseases.



Off-grid sanitation

Connecting to bio-toilets to provide a sanitation solution, even in rural communities that have no access to sanitation systems.



Our Vision

To transform the world of waste into a resource that can better our lives today, and our planet tomorrow.

Using our systems to convert organic waste into a resource, HomeBiogas is an active partner in enabling a zero waste and net-zero GHG-emission world. We have worked hard for more than ten years to promote our vision, investing long hours and resources in research and development. Today, we operate in more than 100 countries with more than 100,000 users to make our systems available worldwide and achieving our goal of changing communities and consumers lives.

The values that guide us



Personal responsibility

Be the change you want to see in the world. Take the lead.



Passion

Put your heart into everything you do. Act with true intention.



Never give up

Problems are opportunities in disguise. Overcome challenges.



Embrace change

Navigate with confidence through uncertainty. Manage ambiguity.



Constant improvement

There is always a better way of doing things. Eager to advance.



Driven by hospitality

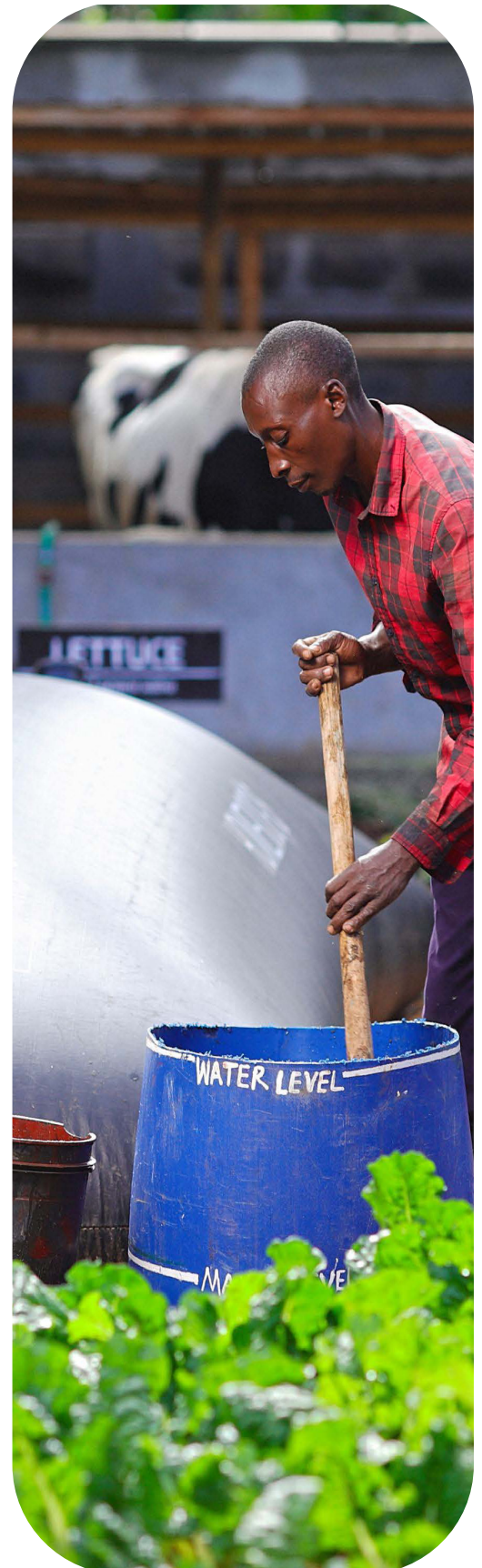
Client satisfaction & service are paramount. Serve customer's needs.

Certified
B
Corporation

HomeBiogas is B-corp Certified

HomeBiogas has achieved a significant milestone in its journey towards sustainable and responsible business practices by earning the B Corp Certification. This prestigious certification is a testament to the company's steadfast commitment to not just financial success, but also to higher standards of social and environmental performance, accountability, and transparency.

The B-Corp Certification underscores Home Biogas's dedication to making a positive impact on the world, beyond the innovative renewable energy solutions it provides. By meeting rigorous standards of social and environmental performance, Home Biogas aligns itself with a global community of businesses that prioritize the welfare of the planet and its inhabitants over mere profit.



Our Journey to Date

2012

HomeBiogas' story begins with three long-time friends and a mission to make free, renewable energy available to everyone, all over the world. After analyzing and testing current biogas digester designs, their limitations and excellent opportunities for improvement became clear. Our founders were determined to modernize the technology, to make it easy to install and accessible to all.



2015

- Our CEO is appointed chairman of the ISO biogas committee.
- Project with the European Union and the Peres Center for Peace & Innovation for the installation of HomeBiogas systems for 100 Palestinian families.
- First global sales.



2016

- First generation HBG system becomes commercially available.

2017

- Awarded European Commission Horizon 2020 – Project 'HomeBiogas'.

2018

- Gaining CE certification.
- Awarded European Commission Horizon 2020 – Project 'Houseful'.
- Launch of the latest and most advanced HBG system – following further research and fine-tuning.

2019

- Launch of the HomeBiogas bio-toilet.
- Establishing a global distributors network.

2020

- Publication of ISO 23590 – Household Biogas System Requirements.

2021

- TASE IPO – HomeBiogas listed for trading on the Tel Aviv Stock Exchange under the symbol HMGS.
- First installation of the HomeBiogas Pro system in a kibbutz dining room.
- First projects with the UN (UNCR) to supply biogas systems in refugee camps in Zimbabwe and Malawi.
- First HomeBiogas subsidiary established in Kenya.
- A Logistics center was established in Caesarea.

2022

- The launched of HomeBiogas Farmers system.
- UN project in Rwanda.
- Approved for Indian Ministry of New and Renewable Energy (MNRE) subsidy.
- Launch of Gold standard carbon project in Kenya.
- Wining three international prizes: World Sustainability Awards – Circular Economy Award, FT/IFC Transformational Business Awards, and the AD and Biogas Industry Awards.

2023

- Governmental Project in El-Salvador – sanitation and clean cooking project for schools and households in Central America.



- Launch of Gold standard carbon project in India in partnership with SKG.
- Signed an Offtake agreement for Kenya and India
- B-corp certified.

Our business activities align with 13 of the United Nations Sustainable Development Goals reflecting our commitment to being catalysts of change.

Contributing to the UN's

Sustainable Development Goals

As a company focused on sustainability and the circular economy, our business activities align with most of the United Nations' 17 Sustainable Development Goals (SDGs) and accompanying 169 targets.

As part of the worldwide community that has undertaken these goals, we attach great importance to our role as catalysts for change.

Throughout this report, we indicate how our environmental, social, and governance activities support the UN SDGs. The overview in the table below provides a brief summary of how our systems help provide solutions to global problems, and the UN SDGs to which they relate.



Access to clean cooking energy and technology

Global Problem

According to the WHO 2.4 billion people worldwide lack access to clean cooking¹⁰.

These people use open fires and rely on wood-based fuel, including wood & charcoal for cooking. These fuel types have numerous negative impacts:



● Environmental

- Inefficient fuel consumption.
- Increased greenhouse gas emissions.
- Provoke deforestation.

HomeBiogas Solution

HomeBiogas systems generate clean energy by converting organic waste into biogas, thus eliminating the negative impacts associated with wood-based fuel. Instead, these systems offer several benefits, including:



- Creates energy-efficient, carbon-neutral fuel.
- Eliminates any negative impact of waste debris.
- Reduces deforestation.
- Reduces use of chemical fertilizer.
- Revitalizes soil's organic matter.



Access to clean cooking energy and technology

Global Problem

● Health

According to WHO, every year, nearly **3.2 million people die prematurely from illnesses attributable to household air pollution from inefficient cooking practices¹¹.**

- indoor air pollution.
- Injuries associated with use of traditional fuels cooking appliances.
- Chronic and acute physical ailments caused by the work involved in firewood collection.

● Economic

- Lost opportunities for income generation because of the time spent collecting fuel and cooking.
- Cost of fuel.



HomeBiogas Solution

- Zero indoor air pollution.
- ISO 23590:2020 compliant.
- On-site energy generation – no need to collect firewood.



- No resources required for maintenance.
- Free energy source, available on-demand.
- Time is freed up for women and children to pursue education and leisure activities, instead of having to go out to collect firewood.
- HomeBiogas system's liquid bio-fertilizer has demonstrated excellent economic and operational efficiency. Farmers report healthier and more fertile soil, less need for pesticides, higher crop yields, and a stronger natural flavor.



Access to sanitation

Global Problem

Untreated waste causes land and water pollution, and is a harmful health hazard.

According to WHO, 3.6 billion people – nearly half of the world’s population – do not have access to safely managed sanitation systems in their homes¹².

Of those, 1.9 billion people live with basic sanitation services, and 494 million people practice open defecation.¹²



● Water stress

Untreated waste causes land and water pollution, and is a harmful health hazard. According to UNESCO **2 billion people** in the world live in countries experience high water stress. On average, a person uses **19 to 24 gallons** a day flushing the toilet (compared to **15 gallons** per washing machine load, and **1 gallon** of drinking water)¹³.

HomeBiogas Solution

HomeBiogas systems transform waste from a potential hazard to a valuable resource.

When connected to the HomeBiogas Bio-Toilet solution, the system provides access to safe sanitation services, completely independent of the grid.



The HomeBiogas Bio-Toilet saves over **80% of the water** used by a regular toilet with every flush.

Turning waste into a resource

Global Problem

According to the UN Environment Program humans generate over 2 billion tons of solid waste annually around the world, and this is expected to increase to 3.4 billion tons by 2050. 44% of this global waste is made up of foods and organics.¹⁴

In an era of rapid urbanization and population growth, waste management is critical for sustainable, healthy, and inclusive cities.



- **Methane (CH₄) emissions**

In most countries, organic waste is sent to landfill, where it decomposes naturally. This creates methane, a potent greenhouse gas that has **84 times** more warming power than carbon dioxide on a 20-year scale time.⁹

This makes landfills one of the main sources of methane emissions into the atmosphere.

HomeBiogas Solution

Treating organic waste on site with HomeBiogas systems can help cities and communities become sustainable, self-sufficient entities, with a clean and renewable source of energy, while improving waste management, reducing greenhouse gas emissions and dependence on fossil fuels, fostering local economic development, and improving their environmental footprint.



HomeBiogas systems help mitigate methane pollution by enabling on-site organic waste treatment.



The treatment mimics what happens to organic waste in landfill, but in a controlled environment that prevents methane emissions. The methane created during the treatment is the biogas later used as clean energy. In this way, HomeBiogas systems help mitigate climate change, reduce GHG (greenhouse gases), and offer a comprehensive solution for organic waste treatment.

Circular economy

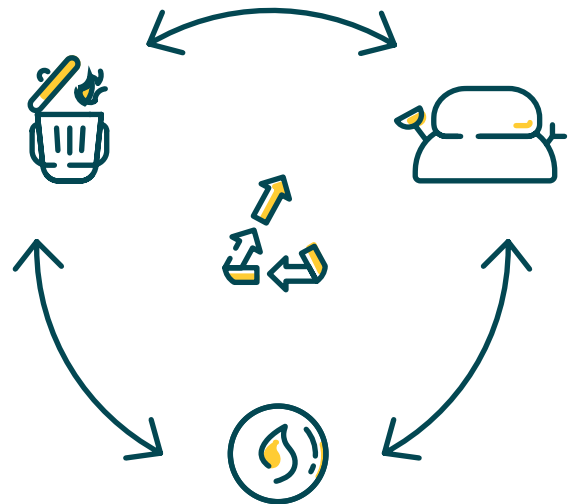
The concept of a Circular Economy strives to prevent the waste of resources and promote a waste-free world.

Promoting a circular economy

Based on the principles of Reduce, Reuse and Recycle, the concept of a circular economy (CE) strives to prevent the waste of resources and promote a waste-free world.

A circular economy is regenerative by design.

HomeBiogas' research & development team works to ensure that the company's products', component's, and materials' properties, are of the highest quality to support their reuse and recyclability.





promote a circular economy

The main sectors in which HomeBiogas operates to promote a circular economy:



✓ Waste treatment

Industries engaged in the collection, treatment, and disposal of waste materials. HomeBiogas systems treat organic waste on site, eliminating transportation of waste and the need for alternative waste treatment.

✓ Renewable energy

Renewable, sustainable, and clean energy sources and solutions. HomeBiogas systems generate green, renewable energy, produced in a natural process, based on routine, on-site handling of organic waste.

✓ Cleantech

Innovative technologies focused on finding and offering solutions that are adapted to climate change and mitigate its effects. HomeBiogas system efficiently treats organic waste onsite and converts it from a hazard to a resource.

✓ Sustainable agriculture

Promotes growth without damaging soil and ecological habitats. HomeBiogas systems convert organic waste into liquid organic fertilizer, which has been demonstrated to make soil healthier and more fertile, and reduce the need for chemical fertilizer and synthetic pesticides.

Our Products

HomeBiogas develops biodigesters that convert food waste and animal manure into biogas for clean cooking, and liquid Bio-fertilizer for gardening or agriculture.



HomeBiogas 2

Households with a backyard.

- ✓ International patents
- ✓ Easy to scale up
- ✓ User-friendly
- ✓ Fast installation and simple maintenance



HomeBiogas 4

Large households, community gardens and hospitality accommodation. E.g: glamping, yurts, eco-lodges.

- ✓ International patents
- ✓ Easy to scale up
- ✓ User-friendly
- ✓ Fast installation and simple maintenance



HomeBiogas Bio-toilet

The HomeBiogas Bio-Toilet Kit offers a highly comfortable bathroom experience for self-sustainable households.

Areas that lack access to sewage connections.

- ✓ Saves 80% water consumption compared to a regular toilet
- ✓ Completely off-grid
- ✓ Does not need any infrastructural work

Our Products

HomeBiogas develops biodigesters that convert food waste and animal manure into biogas for clean cooking, and liquid Bio-fertilizer for gardening or agriculture.

HomeBiogas Farmers

An affordable and innovative solution that converts livestock manure into clean cooking gas and liquid Bio-fertilizer.

Small-scale farmers who have livestock and field crops.

- ✓ Installation in less than 2 hours
- ✓ Product with best ROI in the market



Spotlight on Kenya

Our team in Kenya, installed over 3,000 systems for turning farm waste to fuel, across Kiambu, Machakos, Murang'a, Embu, Kirinyaga, Meru, and Tharaka Nithi.

Increasing biogas awareness:

Our multifaceted marketing strategy increases awareness and generates new leads for our sales team through targeted social media ads, SEO, and on-the-ground activities in our key operational areas. To reach a wider audience, our dedicated sales team both carries door-to-door sales and sets up large meetings with dairy cooperatives. Through these efforts, we aim to provide access to our innovative solutions to as many people as possible and promote sustainability.

Over **1,000** systems installed in Kenya in **2023**

[Watch video >](#)



Pro systems' pilots

HomeBiogas strategy

HomeBiogas' vision is bold and ambitious; our method takes us back to basics – harnessing the 'technology of nature' through the simplest, most efficient, and most sustainable methods, to reduce the environmental impact of organic waste, and convert it into energy. Our portfolio of products optimally serves a wide range of customers by enabling on-site treatment of organic waste.

In a strategic move to enhance its operational efficiency and optimize processes, Home Biogas has established two subsidiaries as integral parts of its business activities. This expansion not only signifies the company's growth and adaptation in the market but also reflects its commitment to streamlining production and distribution.

HomeBiogas USA was incorporated with the purpose of supporting the Company's business operations in the United States and HomeBiogas Kenya was founded for marketing and sale of HomeBiogas systems directly to farmers in Kenya.





HomeBiogas has two sales channels:



Direct Sales:

- Global E-commerce sales
- Direct to consumers in Israel and Kenya
- International projects with governments and organizations



Indirect Sales:

- Global network of distributors and partners

HomeBiogas conducts marketing activities, such as sales campaigns and community events for customers. Our after-sale customer service is of an uncompromising high-quality.

Plans for achieving sustainable growth in the upcoming years

The following are the key steps that we shall take as we pursue sustainable growth

- Establish new subsidiaries in our primary markets.
- Continue signing agreements with international organizations, such as the UN.
- Promote the Bio-Toilet as a global sanitation solution.
- Increase environmental education and awareness by expanding distribution of our solutions to more schools.
- Emphasize the importance of biofertilizers to promote healthier soil and crop production.
- Streamline logistics and reduce costs by opening front warehouses.
- Make our products more affordable by reducing production costs through automation processes, better QA/QC, and fault prevention.
- Strengthen our after-sale support to ensure customer satisfaction.
- Make our products accessible to farmers in underserved communities by generating carbon credits revenues certified with Gold Standard.
- Enter the US market to provide a sustainable solution to businesses, restaurants, multi-family complexes, hospitality sector and municipalities.

Our customers

HomeBiogas has more than 100,000 customers in more than 100 countries on six continents.

- Private customers – environmentalists, underserved communities, and the green buildings sector.
- Business customers – restaurants, farmers, private companies and businesses.
- International and national organizations – UN, EU, USAID, WWF.
- Public and institutional customers – municipalities and government organizations.




Revenue Sources

- High-income countries – 42% – **\$1,886,656**
- Low- and middle-income countries – 58% – **\$2,622,372**



Customer and Distributor Training in 2022

- Monthly webinars with distributors around the world.
- Two weekly seminars for distributors in Latin America.
- Monthly remote training for customers.
- 50 training hours delivered in educational institutions.
- 10 new training and troubleshooting videos produced.



B2C Satisfaction Survey

- 70% of customers say that the system meets (and even exceeds) their expectations.
- 87% of customers are satisfied with HomeBiogas' service.
- 76% of customers would recommend HomeBiogas to friends/family.



Customer Support

We offer extensive support to ensure that our customers get the most out of their HomeBiogas system. The HomeBiogas Chatbot provides assistance and information to customers, 24 hours a day. Out of 25,632 enquiries, only 20% required additional human assistance.

Shareholders

31.36% Public holding

13.92% Institutional holdings
of which

- Migdal Insurance and Financial Holdings Ltd. (8.51%);
- Phoenix Holdings and Excellence Investment House Ltd. (5.41%)

54.72% Major shareholders
of which

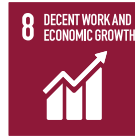
- Closed Loop Partners (31.52%);
- Engie New Ventures (7.68%);
- JSCapital (6.00%).

11.67% Founders
of which

- CEO Mr. Moshe Oshik Efrati (3.17%);
- VP Business Development and Sales Mr. Yair Lev Teller (3.17%);
- COO Mr. Erez Lanzer (3.17%).



Our People



Our employees are a critical resource in our operations and in driving the business forward as an innovative, breakthrough company.

HomeBiogas invests heavily in personal and professional development, so that our employees can achieve their full potential. We are also committed to providing full employment rights, in strict accordance with the labor laws in the territories in which they work.

HomeBiogas attaches importance to gender equality and promotes diversity in its hiring.

In 2023, our wonderful team grew to 148 employees:



94
in Israel

54
in Kenya



40%
Women comprise



32%
of management positions
are held by women



37
The average
employee age at
the company is

Embracing Generational Diversity

HomeBiogas proudly champions diversity in all forms, including a broad age segmentation among its workforces. This diversity enriches company culture with a wide range of perspectives, experiences, and insights, fostering an environment where innovation and creativity thrive.



Valuing Contractor Partnerships Ensuring Employee Rights

HomeBiogas actively employs 7 skilled employees via personnel companies, demonstrating a steadfast commitment to safeguarding their rights and fostering a supportive work environment. The company meticulously ensures that these employees receive equitable treatment, benefits, and protections, aligning with its broader values of fairness and respect in the workplace.



Corporate culture

It is of great importance to us that HomeBiogas provides a pleasant and inviting work environment for our employees, within a professionally inclusive, effective, and emotionally rewarding corporate culture.

HomeBiogas invests in the welfare and health of its employees and conducts activities such as yoga, running groups, healthy meals, and more.

We strongly adhere to a corporate culture of respect that includes detailed procedures regarding the way in which the company manages:

- Recruitment.
- Employee onboarding.
- Sexual harassment and assault prevention – two female executives are responsible for this program.
- Prohibition on receipt of gifts from customers.

Commitment to Diversity, Equal Employment, and Prevention of Discrimination

With a firm commitment to employee diversity, HomeBiogas scrupulously complies with the legal requirements for fair and equal employment.

We emphasize recruiting and hiring female employees with appropriate skills to fill a range of positions. Women are also promoted to management positions according to their merit, and currently account for 33% of the company's management team.

Training & certification

We provide general and professional training and certification to our employees, managers and directors on a range of subjects, including time management, safety, environmental protection, manager development, communication skills, interfacing between departments, thinking in English and information security.

To promote employee involvement in ongoing training and development, employees are encouraged to deliver lectures on any topic of interest.

So far, we have enjoyed presentations about the environment, the circular economy, trips around the world, biology, plastics and more.



Philanthropy and community volunteering

HomeBiogas views volunteering as an integral part of the company's character and nature.

All employees volunteer continuously or periodically, both in their capacity as company employees and as individuals.

Our main volunteering ventures are:

- Mentoring students at the Hadassah Neurim Youth Village in robotics, along with other activities, such as youth cycling programs.
- Cleaning the Mikhmoret beach – once a month, as a company, we clean up waste left by hikers.
- Following the Iron Swords War, the company's employees contributed to volunteer initiatives in the affected zone, focusing on harvesting fruits and vegetables to aid the residents of the area.
- Volunteering day at the Saving surplus Foods' NGO, packaging agricultural leftovers to distribute to families in need.
- The company's employees dedicated a day to volunteer at the 'Leket Israel' association's warehouse.

Safety

Employee safety is a priority for HomeBiogas. We have therefore implemented revised and improved safety procedures, with the guidance of external safety experts.

Annual safety training for all employees

- Every employee received at least four hours of safety training in 2022.
- Every new employee receives general safety training before starting to work.
- Warehouse workers receive additional safety training at each workstation.
- In 2022 we had 9 safety incidents, 4 of which caused light injuries. Our safety incident rate is 6.8.

Product safety

The safety of our customers when using our products is of paramount importance to us. Our products ensure clean and safe production, use, and storage of biogas.

In rural and underserved communities, HomeBiogas provides an alternative to open fires and wooden-based fuels usually used for cooking, and the associated harmful health issues. When compared to cooking gas (LPG), the HomeBiogas system pressure discharge mechanism ensures that gas accumulation does not exceed 14 millibars, compared to 2,000 millibars in LPG cylinders. Furthermore, unlike cooking gas, if biogas (methane) leaks, it disperses in the open air with no risk of explosion or fire.



Governance

Corporate Governance

The company's management and board of directors are committed to maintaining a transparent, proactive, and innovative corporate culture, while ensuring proper corporate governance in relation to our partners, investors, and the public.

This commitment is embodied in our daily conduct and integral to our success.

We operate fairly and transparently towards all our stakeholders, including maintaining contact with our investors and frequently issuing detailed disclosures to the capital market.

By keeping our stakeholders, including customers, suppliers, and the public updated regarding our routine operations, we are able to retain their confidence and trust in us.

Board of Directors

The HomeBiogas Board of Directors is responsible for overseeing management activity and verifying that it conforms to the interests of the company's shareholders and stakeholders.

The Board operates both through the plenum and special committees.



6
Directors



50%
Classified as independent



17%
Women



49
Average age

Our Directors

| Name | Boaz Schweiger | Moshe Oshik Efrati | Ron Gonen | Arik Rashkes | Limor Wiesel | Orit Stav | Shai Levy |
|----------------|--------------------|--------------------|------------|--------------|-------------------|-------------------|----------------------|
| Position | Executive chairman | Director and CEO | Director | Director | External director | External director | Independent director |
| Date Appointed | 06/01/2021 | 16/02/2012 | 11/06/2018 | 21/03/2021 | 21/03/2021 | 21/03/2021 | 25/01/2021 |

Skills and expertise profile

The skills and experience of each director contributes to the ongoing operations and strategy of the company.

This experience ranges from management of large-scale projects to understanding of processes, knowledge of the law and corporate governance to familiarity with the company's field of business – waste management, renewable energy, cleantech, and more.

Experience of HomeBiogas directors – at a glance

| Managerial | Legal | Financial | Public company director | Waste management, renewable energy, and cleantech | International/ marketing in emerging markets |
|-------------|------------|------------|-------------------------|---|--|
| 100% | 29% | 71% | 29% | 43% | 57% |

Board of Directors meetings

In 2023, the Board of Directors plenum met eleven times, with a director participation rate of 95%.

Once a year, management presents the company's updated strategy to the Board of Directors, with each Chief Officer reviewing the objectives and challenges in their field of activity. This forms the basis of discussions that formulate the company's strategic goals.

Board of Directors committees

The Board of Directors operates through two subcommittees: the audit committee, which is responsible for supervising business and financial conduct; and the compensation committee, which is responsible for the compensation of company's officers. The independent directors – Mrs. Limor Wiesel, Mr. Amir Avizah Shukrun, and Mr. Shai Levy – serve on both the audit committee and the compensation committee.

The audit committee convened six times in 2023 and the compensation committee convened three times, with a 100% attendance rate.

Internal Auditor

HomeBiogas first appointed an outsourced provider as its internal auditor in March 2021, following the company's IPO on the Tel Aviv Stock Exchange. In 2021, the auditor reviewed the company's risks and prepared a multi-year work plan for the coming years, which was approved by the audit committee in August 2021.

In 2023, according to the scheduled plan, the internal audit covered the company's Logistics center management.

Internal Enforcement Program

In accordance with the Israel Securities Authority laws and regulations, HomeBiogas has adopted an internal enforcement program that determines the rules to which its employees commit.

The internal enforcement program is a voluntary mechanism adopted by HomeBiogas to identify and prevent violations of laws and regulations within the company, and to mitigate the risk of violating the law by one of its employees. It aims to create an ethical corporate culture in which all company employees and those representing the company in public, develop awareness and self-enforcement of company rules and the law. The program also sets out a process by which the company and audit committee oversee its implementation, and the actions they are to take to ensure that third parties with which the company engages are also in compliance.

Preventing Bribery & Corruption

HomeBiogas is committed to managing its business with integrity, honesty, trust, and responsibility.

The company does its utmost to verify that all business activity, including overseas, is conducted in accordance with the highest moral standards, and complies with any laws and regulations applicable in the relevant territories.

To avoid risks related to corruption, we have adopted an anti-bribery and anti-corruption procedure that ensures compliance with anti-bribery, anti-corruption, and anti-money laundering laws and provisions. The procedure defines the applicable parties' cases and red flags. Since most of the company's business is overseas, the procedure emphasizes proper business conduct with foreign entities and public officials.

Recognizing that there is a higher risk of corruption in the developing countries in which a significant part of our current business is conducted, we are scrupulous in following proper, audited business conduct.

Transparency

The HomeBiogas management team and Board of Directors operate with maximum transparency for all the company's shareholders and stakeholders.

This transparency is a core value at HomeBiogas, which we believe strengthens our relations with our capital market shareholders and other stakeholders. It also enhances understanding and enables mapping of major business and non-business conduct issues, reducing exposure to operational and administrative risks.

Risk Management

HomeBiogas is aware of the risks inherent in its businesses, and risk management is a critical component of our operations. The company makes every effort to classify core risks and identify the best tools to optimally manage and mitigate them.

- Technology – emphasis on completing the development of the HomeBiogas Pro system.
- Finance – dependence on the financial support of governments and aid organizations.
- Competition.
- Regulation – lifting supporting regulations.
- Supply chain – managing dependencies on suppliers, fluctuating shipment costs and timelines, and navigating the complexities of quotas to ensure uninterrupted operations.
- Climate Risks – Addressing the challenges posed by climate change, including the impact on operational resilience, supply chain integrity, and market demands for sustainable solutions. This entails proactive adaptation strategies, innovation in eco-friendly technologies, and alignment with global efforts to mitigate climate impacts.
- International Operations Risks – Mitigating risks associated with global activities, including geopolitical uncertainties, compliance with diverse regulatory environments, and the complexities of cross-border logistics and cultural nuances.
- Scrupulous in following proper, audited business conduct.

HomeBiogas confronts these challenges head-on through its expansive global operations and the continuous development of its product lines. The company's approach to risk mitigation includes staying abreast of regulatory changes across its operational territories, forging strategic partnerships with international bodies like the United Nations, and engaging with governments in developing countries. Efforts to diversify supply sources and de-risk business models are central, with initiatives such as launching the HomeBiogas Pro system and integrating a service-based model alongside traditional product sale. Furthermore, HomeBiogas is committed to producing low-maintenance systems and upholding superior manufacturing quality to ensure product reliability and customer satisfaction.

This comprehensive risk management strategy underscores HomeBiogas's commitment to operational excellence, sustainable growth, and the well-being of communities and environments across the globe.

Information & Cyber Security

Ensuring information security is a priority for HomeBiogas, and we take measures to ensure that our employees, customers, and suppliers comply with information security laws. We have appointed an information systems manager, who is responsible for implementing our information and cyber security policy, the integrity of our IT systems and controlling cyber threats with the help of cyber consultants.

Code of Conduct & Ethics

In 2022, HomeBiogas established a set of values and rules of conduct, forming a Code of Conduct & Ethics by which all company employees, managers, and the Board of Directors are required to act. The Code formulates standards intended to facilitate the creation and sustaining of an organizational values culture, which will strengthen connections between employees, and between employees and management, thereby establishing relationships based on trust, reliability, and integrity.

The following principles are detailed in the Code of Conduct & Ethics

- Preventing discrimination and harassment
- Maintaining a pleasant, professional and productive work environment for all
- Cultivating a diverse workforce
- Protecting employee privacy
- Commitment to upholding the provisions of the law in every matter
- Contributing to environmental protection.

The implementation of the Code of Conduct & Ethics is a significant step in the consolidation of the company's values, combining mutual respect, innovation, aspiration to excellence, continuous learning, integrity, responsibility, commitment, team spirit, open communication and joint work, as key components of an organizational culture that will lead the organization to success.

Environmental

Environmental responsibility at all levels: evaluating our impact on our business & the world around us.

Protecting the environment:

The HomeBiogas environmental impact is inherent in the impact our customers are able to achieve when using our products and services. We implement our environmental policy by:

As a cleantech company, our mission is to also uphold the principles of sustainability and the circular economy in our own operations and practices. Therefore, we strive to reduce as much as possible the carbon footprint of all company assets, supply chains, and production processes as much as possible.

Our environmental policy is also put into action through our volunteering activity, where we strive to promote the values of circular economy, sustainability, and preserving the environment.

At HomeBiogas, we comply with all relevant environmental regulations and standards, and work continuously to improve our operation, production, and transportation processes. We also take a leading role in formulating regulations – which we consider to be critical to advancing our policy – including helping to formulate ISO 23590:2020– Household biogas system requirements, and ISO 20675:2018 – Biogas. As previously mentioned, HomeBiogas has achieved certification according to the B-Corp standard.

The B corp standard measures companies performance including its environmental impact. This allows us to quantify our impact and continuing to increase our positive impact on the environment.

We implement our environmental policy by:

- Maintaining and promoting proper environmental conduct in our production processes.
- Using renewable energy in the countries where we operate.
- Making our systems accessible to people in developing countries.
- Promoting the values of sustainability and circular economy.
- Reducing our customers' environmental impact by using our systems.
- Working with suppliers that conform to high environmental standards.
- Prioritizing suppliers that operate according to a comprehensive and strict environmental policy.
- Instituting Meatless Monday at our in-house lunches.

Our environmental impact & efforts to reduce it

Our core business is to reduce our environmental impact and that of our customers by converting organic waste into a resource and promote circular economy. on-site treatment of organic waste by our systems reduces many environmental costs inherent in the haulage of organic waste to treatment facilities.

Navigating Climate Change Impacts and Adaptation Strategies:

HomeBiogas has proactively integrated climate risks into its core activities, aligning its operations with sustainable development goals. Recognizing the profound impact that climate change has on environmental sustainability, HomeBiogas has committed to not only mitigating its own carbon footprint but also providing solutions that empower individuals and communities to do the same. Through the development and distribution of biogas systems that capture methane (CH₄) emissions from organic waste and avoiding cutting of trees by converting it into clean energy, and biofertilizer, the company directly addresses the dual challenges of waste management and renewable energy production. By doing so, Home Biogas not only contributes to reducing greenhouse gas emissions but also enhances resilience against climate risks, such as energy scarcity and waste management challenges. Furthermore, the company's continuous innovation and adaptation to emerging climate-related threats and opportunities demonstrate a forward-thinking approach to business sustainability and environmental stewardship.



Our system lifecycle:

Materials

HomeBiogas systems are made almost entirely of polypropylene, with a protective exterior layer of polyethylene. These are synthetic thermoplastic polymers that are extensively used in numerous industries.

Properties

Polypropylene is characterized by moderate compressibility, light weight and resistance to heat and to acidic and alkaline conditions. Polyethylene is known for its high chemical flexibility and conformity to use requirements, making it the most common plastic in the world. We use HDPE polyethylene in our systems, owing to its UV resistance, compressibility, and easy recyclability properties.

Long lifespan

Both materials are highly durable, giving our products a long lifespan of about 15 years.

Recyclable

Both materials are fully recyclable, so they can be efficiently, economically, and environmentally recycled and reused at the end of the system's lifespan.

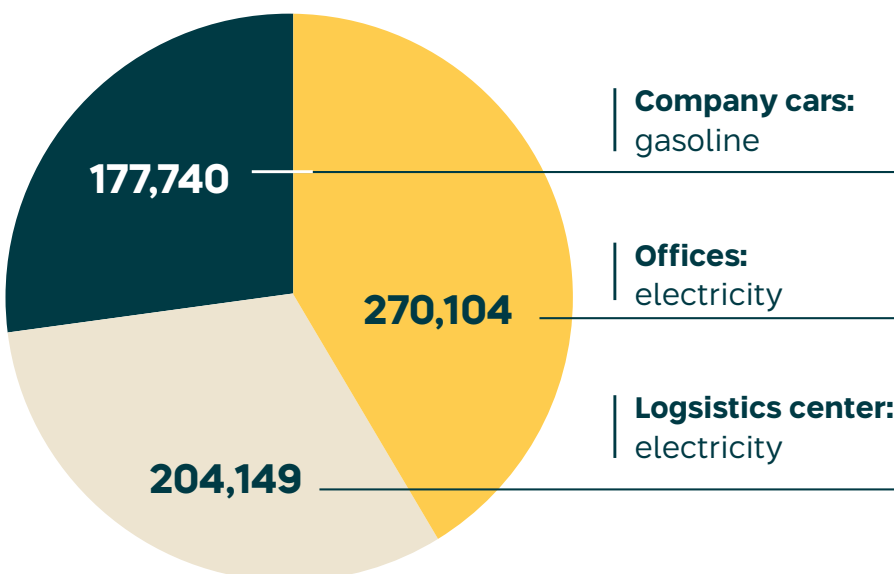
Energy

We have undertaken several energy efficiency steps at our headquarters in Hadassah Neurim and logistics center in the Caesarea Industrial Zone:

- Utilizing HomeBiogas systems to recycle organic waste and produce biogas for cooking and heating water.
- Connecting the toilets at our headquarters to HomeBiogas systems to reduce water consumption.
- Establishing a front warehouse in the USA for energy efficiency and to reduce our carbon footprint. We are in the process of establishing an additional front warehouse in Australia.
- Seeking approval for drop-shipment from our supplier in India directly to Kenya (and, in the future, to other places), reducing shipments around the world.
- Transitioning to fuel-efficient vehicles with low emission ratings. Even though the company's fleet is small, all employee cars will be electric or hybrid (in all their forms) by the end of 2024.
- Enabling remote working. Many company employees now work at least one day a week from home, thereby reducing the environmental costs of commuting by car.

Total energy consumed in the organization in 2022 - 651,993 MJ¹⁶

Distribution of energy consumption (MJ)



Emissions

| Scope 1 | Scope 2 | Scope 3 | Total |
|---------------|---------------|----------------|----------------|
| 38 (ton CO2e) | 62 (ton CO2e) | 784 (ton CO2e) | 884 (ton CO2e) |

In 2022, we mitigated a total net 124,591 tons of CO2-equivalent emissions¹⁷

The greenhouse emissions in scopes 1 and 2 directly relate to our business activities.

Scope 1: describes all direct emissions from the use of company vehicles.

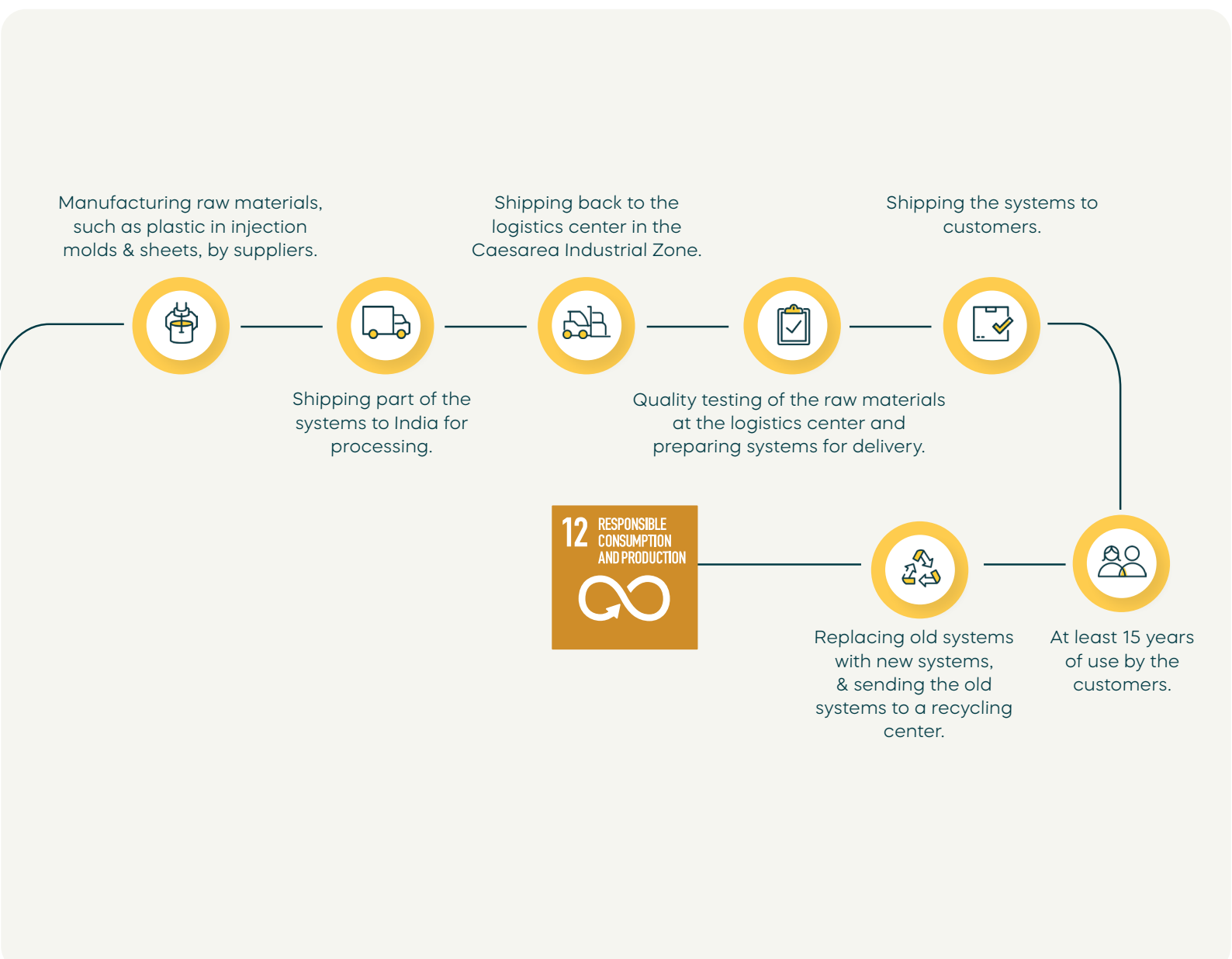
Scope 2: describes indirect emissions from the consumption of electricity at the company's assets in Israel (HQ and the logistics center).

Scope 3: describes indirect emissions in the HomeBiogas supply chain, such as upstream and downstream transportation, distribution of raw materials, goods and products, business commuting and travel, and production of raw materials and goods.

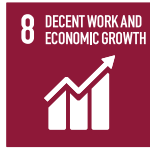


Streamlining our supply chain

Focus on scope 3 emissions – indirect emissions in the supply chain related to company operations We are constantly undertaking action to streamline our supply chain, both in order to lower costs and manufacturing raw materials, such as plastic in injection molds and sheets, by suppliers.



Waste & recycling



Applying accepted worldwide waste management methodologies and the principles of the circular economy, we have implemented a number of initiatives to reduce the amount of waste generated by HomeBiogas as a company, as well as by our suppliers and customers. At HomeBiogas, the only waste generated results from the daily activities of the company's employees, not from its production processes.

Company

- Private ordering of recycling services.
- On-site separation of waste for recycling.
- Partnership with a recycling company for plastic, bottles, and paper.

Company employees

- Switching to multi-use utensils rather than ordinary and 'biodegradable' disposable utensils.
- Switching from individual delivery of meals ("Just Eat") to preparing meals locally.
- Implementation of HomeBiogas system to treat organic food waste at the company's offices.
- Installing HomeBiogas bio-toilets to treat human waste, saving water consumption and upcycling human waste.

Suppliers and Subcontractors

- Demanding use of multi-use cartons for packaging raw materials.
- Demanding that raw materials not be packaged in plastic bags.
- Reusing pallets and recycling broken and defective pallets.





📍 HomeBiogas LTD, Beit Yanai, Israel 4029300, IL
🌐 www.homebiogas.com

